
News Release

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REGIONAL LEADERS MEET TO CONFRONT LOOMING TRANSPORTATION FUNDING CRISIS

**SCAG Executive Committee Of Local Elected Officials Assess Potential Impact
Of Proposed State Budget Cuts on Transportation and Region's Economic Recovery**

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LOS ANGELES – The Southern California Association of Governments (SCAG) Executive Committee held a special meeting today to examine the implications of the governor's newly proposed state transportation funding cuts and the significant regional funding crisis that could result. If the cuts expected in the governor's budget submission are ultimately implemented, Southern California will face a \$4.3 billion transportation shortfall that would have serious consequences on traffic congestion, goods movement, air quality, economic development and quality of life in Southern California. The state cuts could also jeopardize the receipt of up to \$8 billion in federal transportation funds if the region fails to meet federal air quality standards.

"The state funding cuts being proposed will do more than just delay transportation projects in the region," said Mark Pisano, SCAG executive director. "They will exacerbate Southern California's congestion problems, worsen our air quality, bog down our economic growth and impact our collective quality of life in ways we cannot imagine."

"This goes beyond trying to alleviate traffic congestion," continued Pisano. "One-third of the nation's goods move through Southern California, which makes improvement of our region's transportation infrastructure critical to the economic health of the region, the state, and the nation. The state needs to understand that taking money from dedicated transportation funds to help reconcile the budget deficit will hurt Southern California's ability to sustain an economic recovery."

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Southern California Association of Governments

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SCAG, Southern California's metropolitan planning organization, is responsible for developing long-range transportation plans that help the six-county region (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties). Last October, SCAG released ***Destination 2030***, the 2004 Draft Regional Transportation Plan (RTP) as a comprehensive blueprint for the region's transportation future. Once SCAG adopts a final RTP in April, it will then be submitted to a series of federal agencies for approval. If those agencies determine that the plan does not help Southern California conform to federal air standards, then billions of dollars in critical federal highway and transit funds for the region could be jeopardized.

The governor's budget submission proposes \$3.8 billion in spending reductions for this fiscal year, with nearly one-third of the cuts coming from the transportation arena. Due to declining gas tax revenues and previous funding shifts from transportation to the state's general fund, the state has already delayed, reduced or eliminated funding for numerous transportation improvements. Even prior to release of the governor's proposed budget cuts, ***Destination 2030*** already projected a looming transportation funding shortfall for the region. If the latest round of cuts is implemented, Southern California's long-range transportation budget would need to be lowered by about \$4.3 billion.

"While we recognize that our lawmakers have difficult decisions before them in terms of how best to balance the state's books, we are facing a real transportation crisis in Southern California that will be made dramatically worse if these cuts are implemented," said Brea Councilwoman and SCAG President Bev Perry. "Our representatives in Sacramento must understand the seriousness of this situation and the potential consequences of making these proposed actions at such a critical juncture. These cuts could trigger a snowball effect that will make our congestion problems of today significantly worse."

At the SCAG Executive Committee meeting today, local officials began considering various means of addressing how the proposed state budget cuts could impact the completion of ***Destination 2030***. The committee agreed that a coordinated effort with the region's county transportation commissions (i.e., MTA, OCTA, RCTC, SANBAG) is needed before an action plan is solidified. The issue will be brought back to SCAG's Regional Council next month.